

REMARKS

In view of the above amendments and the following remarks, reconsideration of the application is respectfully requested. Claims 1, 6, 7, 22-25, 28, and 32 are presently pending in the application. Claims 15 and 18 have been canceled; Claims 2-5, 8-14, 16, 17, 19-21, and 29-31 were canceled by previous amendments. Claim 22 has been amended to clarify the invention. No new matter has been added.

Claim Rejections under 35 U.S.C. § 112

In the Office Action, claims 15, 18, and 25 were rejected under 35 U.S.C. § 112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The Office Asserts that the cited claims invoke means-plus-function language, as defined in 35 U.S.C. § 112, sixth paragraph, “where no structure is provided in the specification to support such usage.” Claims 15 and 18 have been canceled; the rejection is now moot with respect to these claims.

Applicant respectfully submits that, with regard to claim 25, the specification discloses sufficient structure to meet the definiteness requirement of 35 U.S.C. § 112, second paragraph. To meet the requirement, the structure corresponding to a means-plus-function claim must be disclosed in the specification itself in a way that one skilled in the art will understand what structure will perform the recited function. *See Atmel Corp. v. Information Storage Devices, Inc.*, 198 F.3d 1374, 1381 (Fed. Cir. 1999). The disclosure of the structure may be implicit in the specification if it would have been clear to those skilled in the art what structure corresponds to the means-plus-function claim language. *See Id.* at 1380. Applicant’s specification recites a

number of structural elements, including an analytical server, a data storage device having a plurality of processors, and a data input/output device. *See* Specification, page 7, lines 8-20.

A person skilled in the art to which the invention pertains would readily understand which of the structural elements recited in the specification would perform the functions recited in claim 25. For example, a person of ordinary skill in the art would easily understand that the data that the disclosed analytical server could act a “means for calculating a transaction limit” as recited in the claim.

The Office further asserts that claim 25 is indefinite because “[t]he specification does not explicitly limit the implementation of the ‘means for’ structure using a specific (non-general) computer with a specific algorithm for the stated functionality.” The Office further argues that there “is no specific software code (algorithm) provided in the specification.” As support for its arguments, the Office cites to the recent Federal Circuit decision in *Aristocrat Technologies v. International Gaming Technology*, 521 F.3d 1328 (2008). However, the Federal Circuit made it clear in that case that a general purpose computer programmed to carry out a particular algorithm “in effect becomes a special purpose computer once it is programmed to perform particular functions pursuant to instructions from program software” and that the instructions of the software program in effect “create a special purpose machine for carrying out the particular algorithm.” *Id.* at 1333.

The Federal Circuit further clarified that an applicant is “not required to produce a listing of source code or a highly detailed description of the algorithm to be used to achieve the claimed functions in order to satisfy 35 U.S.C. § 112 ¶ 6.” *Id.* at 1338. All that is required is the disclosure of the algorithm that transforms the general purpose microprocessor into a special purpose computer programmed to perform the disclosed algorithm. *Id.* The disclosure of the

present application discloses such an algorithm. *See, e.g.*, Fig. 3. Consequently, claim 25 meets the definiteness requirement of 35 U.S.C. § 112, second paragraph. Withdrawal of the rejection is respectfully requested.

The Office also argues that claim 22 is indefinite under 35 U.S.C. § 112, second paragraph, arguing that it is indefinite as to how a computer would perform the step of specifying the buying power of a portfolio. The Office states that computers “can calculate and sort, but not specify” and that specifying “is normally done by humans.”

Claim 22 explicitly states that the buying power is equal to the transaction limit for the most restrictive of the applicable compliance rules. Applicant submits that it is well within the ability of the disclosed computer system to “specify” a buying power, that is, to calculate the transaction limit for each of the compliance rules and determine which is the most restrictive. However, in the interest of furthering prosecution, claim 22 has been amended to indicate that the buying power is calculated rather than specified. Withdrawal of the rejection is respectfully requested.

Claim Rejections under 35 U.S.C. §103

The Office asserts that under 35 U.S.C. § 103(a), claims 1, 22, 25, and 32 are unpatentable over U.S. Patent No. 5,893,079 to Cwenar in view of U.S. Patent Application Publication No. 2002/0082979 to Sands and U.S. Patent Application Publication No. 2002/0059107 to Reich.

Independent claim 1 recites a method of determining the buying power of an investment portfolio for a given security. The method includes storing a set of compliance rules in a database and calculating a transaction limit for a proposed transaction involving the security for

each compliance rule. The method also includes sorting the set of compliance rules from most restrictive to least restrictive and displaying a buying power message box showing the sorted set of compliance rules along with the calculated transaction limit for each rule. A rule description box is also displayed with the buying power message box; the rule description box defines how the transaction limit was calculated. This functionality allows a portfolio manager to quickly ascertain the buying power of a portfolio and to better understand the basis for any transaction limits.

Cwenar, Sands, and Reich, either individually or in combination, fail to render independent claim 1 obvious. Cwenar discloses a computerized data processing system that includes functionality for comparing a proposed trade with a group of rules which can be prioritized with respect to legal or business standards. Cwenar fails to disclose or suggest displaying a buying power message box showing a list of compliance rules along with a rule description box that defines how a transaction limit was calculated for each compliance rule. The system disclosed in Cwenar allows a user to input rules through an external interface. *See* col. 11, lines 44-45. The rules may be stored on a local computer or in a central database. *See* col. 11, lines 46-51. The rules can be based on legal requirements, *see* col. 12, lines 6-7, or can be discretionary and customized to the preference of a user. *See* col. 12, lines 40-42. When a transaction is found to violate the rules the trade is stopped, and an audit trail report is prepared. *See* col. 12, line 27-29. If the transaction is found to be consistent with the rules, the trade proceeds and a user receives a compliance approval report. *See* col. 12, lines 41-47.

Cwenar, even if combined with Sands and Reich, simply does not disclose the step of displaying a buying power message box listing compliance rules together with a rule description box showing how transaction limits for the compliance rules were calculated. The system of

Cwenar may terminate a transaction that is found to violate the rules and generate an audit report indicating that the rules were violated. However, the system described in Cwenar does not provide a portfolio manager with the description of how the rule was calculated.

Combining the disclosures of Sands and Cwenar does not render claim 1 obvious. Sands discloses a system for pre-trade compliance checking in a mutual funds portfolio management process. The system allows a trader to determine what actions are available with regard to compliance before any trades are entered into a portfolio management system. *See* Sands, page 2, paragraph [0038]. Specifically, the system is designed to ensure that trades are in compliance with Rule 2a-7 of the Investment Company Act of 1940. *See* page 1 paragraph [0005]. The system of Sands may include a window that displays details such as the rules applied to each trade and the limits associated with each rule. *See* page 12, paragraph [0313]. However, the detail window disclosed in Sands does not display how the limits were calculated for the displayed rules.

The combination of Sands and Cwenar does not disclose or suggest a method of determining buying power that includes displaying a rule description box that defines how a transaction limit was calculated. The Office argues that an audit trail, as disclosed in Cwenar, “would describe in detail how a transaction limit for a compliance rule was calculated” and that “applying display [as taught by Sands] to Cwenar with compliance rules would have been recognized by those of ordinary skill in the art as resulting in an improved system that would have allowed access to rules being applied to the system.” These assertions are not supported by the disclosures of either Cwenar or Sands. Cwenar indicates that “if a violation of the legal rules is found to exist, the next action is to prepare an audit trail report **or record of the event** 163 and to stop the trade...” *See* Cwenar, col. 12, lines 28-30 (emphasis added). Further, Cwenar

indicates that depending on the nature of the rule that is violated and the preferences of the system user, “the consequences may be anything from stopping a trade or delaying a trade pending a further input from the user **to doing nothing more than making a record of the departure from the rules.**” *See* col. 11, lines 51-63 (emphasis added). In other words, the audit report is simply a record, for future retrieval, created to show that a user of the system described in Cwenar attempted to initiate a trade in violation of one or more rules. The record may not even be accessible to the user who violated the rules.

The audit trail report disclosed in Cwenar is not equivalent to the rule description box recited in claim 1. The Office concludes, without support, that the audit trail report disclosed in Cwenar “would describe in detail how a transaction limit for a compliance rule was calculated.” This conclusion is not justified by the limited disclosure of Cwenar. As explained above, the system of Cwenar produces a report or record indicating that a trade was attempted in violation of predetermined rules. There is no support in Cwenar for the assumption that the reports produced by the system show in detail how transaction limits for compliance rules were calculated. The Office argues that “an audit trail is just that, a step-by-step detail of how a number is determined” and that “Cwenar has not defined or redefined what an audit trail is in their specification, therefore, the common understood meaning is appropriate.” The Office has not provided any evidence that its preferred definition is indeed the “common understood meaning” of the term “audit trail report.” Further, the disclosure of Cwenar supports the conclusion that an “audit trail report” is nothing more than a report or record of rule violations. *See* col. 13, lines 11-14; col. 11, lines 58-63; col. 12, lines 53-56.

The Office has indicated that it has given “no patentable weight to particular arrangements of data on a display that are non-functional descriptive material” such as “a buying

power message box” and “a rule description box.” Applicant respectfully submits that displaying a buying power message box showing a sorted set of compliance rules and the calculated transaction limit for each rule together with a rule description box that defines how the transaction limit was calculated allows a portfolio manager to quickly ascertain the buying power of a portfolio and to better understand the basis for any transaction limits. *See* Specification, page 10, lines 5-11. In other words, the arrangement and contents of the buying power message box and the rule description box requires a functional interrelationship among that data and the computing processes performed when utilizing that data. Consequently, these elements should properly be given patentable weight.

Reich fails to overcome the deficiencies of Cwenar and Sands, as noted above. Reich discloses a system for automating transaction compliance checks via a computer communications system. In particular, the compliance system includes a rules processing engine that has access to predefined sets of compliance rules, profile information used to determine which compliance rules apply to a given request, and other information, such as trading history. *See* Reich, paragraph [0008]. A list server is connected to list storage areas and to the rules engine and is configured to process the information in the restriction lists and indicate, in response to a query from the rules engine, which restrictions are relevant to a given request. *See* paragraph [0009]. The system described in Reich may be connected to or integrated with an electronic trading system. The system can be implemented using conventional electronic circuitry or in computer hardware, firmware, software, or in a combination of these technologies. *See* paragraph [0061]. Although Reich describes and automated compliance checker that assigns priority to a set of compliance rules to determine the order in which the rules are evaluated, Reich fails to disclose or suggest a method that includes displaying a buying power message box

along with a rule description box that defines how a transaction limit was calculated.

Consequently, claim 1 is patentable over Cwenar, Sands, and Reich, either individually or in combination.

Independent claims 22 and 25 each recite means for or the step of displaying a rule description defining how a transaction limit was calculated. Thus, for at least the reasons given above regarding claim 1, claims 22 and 25 are patentable over Cwenar, Sands, and Reich, either individually or in combination. Claim 32 depends from independent claim 1 and is patentable over the cited references at least based on this dependency.

The Office also asserts that under 35 U.S.C. § 103(a), claims 6, 7, 23, and 24 are unpatentable over Cwenar in view of Sands and Reich, and further in view of U.S. Patent Application Publication No. 2004/0220872 to Pollock. As outlined above, Cwenar, Sands, and Reich, either individually or in combination, fail to disclose or suggest each element recited in independent claim 1. Claims 6 and 7 depend from independent claim 1 and so are patentable over Cwenar, Sands, and Reich for at least the reasons given above in regard to claim 1. Claims 23 and 24 depend from independent claim 22 and are patentable over the cited references for at least the reasons given above regarding claim 22.

Pollock fails to overcome the deficiencies of Cwenar, Sands, and Reich. Pollock discloses methods for lending based on an asset and securitization of loan interests. The Office relies on Pollock for its disclosure of receiving a proposed nominal value of an appreciation loan associated with an appreciating asset, and determining whether the nominal value meets guidelines of a lender. Pollock does not disclose or suggest the step of displaying a rule description box that defines how a transaction limit was calculated. For at least this reason,

claims 6, 7, 23, and 24 are patentable over Cwenar, Sands, Reich, and Pollock, either individually or in combination.

The Office also asserts that under 35 U.S.C. § 103(a), claims 15 and 18 are unpatentable over Cwenar in view of Sands and Official Notice. Claims 15 and 18 have been canceled; this rejection is now moot.

Finally, the Office asserts that under 35 U.S.C. § 103(a), claim 28 is unpatentable over U.S. Patent No. 6,820,069 to Kogan in view of Reich, and further in view of Cwenar.

Independent claim 28 recites a system for facilitating trade entry and portfolio management. The system includes a user interface interacting with a control program, a data storage device, and a processor. The user interface includes a financial security section displaying the name of a security as well as data associated with the security; a portfolios section displaying data retrieved from the data storage device, the data including a selectable list of investment portfolios and a buying power limit for the security associated with each of the investment portfolios; a buying power module displaying a list of compliance rules retrieved from the data storage device and a transaction limit calculated by the processor, the transaction limit being associated with each compliance rule; and a rule description section of the user interface displaying how the transaction limit was calculated. The compliance rules and associated transaction limits are listed from lowest transaction limit to highest transaction limit in the buying power module and are applicable to a currently selected investment portfolio in the portfolios section.

Kogan discloses a memory server that executes queries to determine compliance with rules by using a rule definition language. *See* col. 2, lines 46-66. The memory server may be used in determining compliance for securities trading. The Kogan reference describes, in great

detail, the implementation of the rule definition language on the memory server. However, Kogan describes only a general-purpose computer system and user interface. *See* cols. 14 and 15; Kogan fails to disclose or suggest a user interface with features that include a financial security section, a portfolios section, a buying power module, and a rule description section, as recited in independent claim 28. For example, Kogan does not disclose or suggest a rule description section displaying how a transaction limit was calculated.

Reich fails to overcome the deficiencies of Kogan noted above. Reich discloses a system for automating transaction compliance checks via a computer communications system. In particular, the compliance system includes a rules processing engine that has access to predefined sets of compliance rules, profile information used to determine which compliance rules apply to a given request, and other information, such as trading history. *See* page 1, paragraph [0008]. A list server is connected to list storage areas and to the rules engine and is configured to process the information in the restriction lists and indicate, in response to a query from the rules engine, which restrictions are relevant to a given request. *See* page 1, paragraph [0009]. The system described in Reich may be connected to or integrated with an electronic trading system. The system can be implemented using conventional electronic circuitry or in computer hardware, firmware, software, or in a combination of these technologies. *See* page 6, paragraph [0061]. Although Reich describes in general terms the back-end functions of an automated compliance checker, Reich fails to disclose or suggest a user interface having the specific features recited in independent claim 28.

The Office acknowledges that both Kogan and Reich fail to disclose or suggest displaying details of how a transaction limit was calculated, but asserts that the disclosure of audit trail reports “would describe in detail how a transaction limit for a compliance rule was

calculated.” As explained above with regard to claim 1, this assertion is not supported by the disclosure of Cwenar. Consequently, claim 28 is patentable over Kogan, Reich, and Cwenar, either individually or in combination.

CONCLUSION

Applicant submits that each of the pending claims in the application, namely claims 1, 6, 7, 22-25, 28, and 32, is directed to patentable subject matter. Allowance of all pending claims in the application is respectfully requested.

The Director is hereby authorized to charge any deficiency in the fees filed with this paper (or with any paper filed in this application by this firm) to our Deposit Account No. 04-1105, under Order No. 59004(49357).

Respectfully submitted,

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